

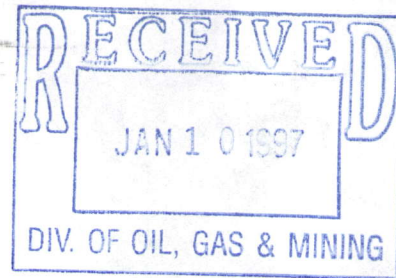


Michael O. Leavitt
Governor
David T. Terry
Director

State of Utah

School and Institutional
TRUST LANDS ADMINISTRATION

675 East 500 South, Suite 500
Salt Lake City, Utah 84102-2818
801-538-5100
801-355-0922 (Fax)



January 9, 1997

Mark Carter
Feller Holding Corp.
1203 Sunset Blvd.
St. George, UT 84770

RE: Materials Permit Application 47448-MP

Dear Mr. Carter,

The Trust Lands Administration has received your amended application for a materials permit for sandstone boulders upon Trust lands in NE $\frac{1}{4}$ NW $\frac{1}{4}$, Section 11, T43S, R16W, Washington County. As we discussed over the telephone, the application may be approved for a one year permit @\$10 per ton of material removed, minimum tonnage of 500 tons. The permit may be renewed annually at the option of the Trust Lands Administration providing the minimum tonnage is removed. You will be mailed an executable permit which you must sign and return to the Trust Lands Administration.

Your notification of intent to commence mining upon the lands within the above numbered permit is also received. I understand that no excavations will occur upon the lands and that you will merely pick up loose boulders from the surface of the lands. Such plan is acceptable to the Trust Lands Administration, but prior to the commencement of mining you must submit a \$5,000 bond which will be held for reclamation and payments accruing to the permit. You must also obtain clearance from the Division of Oil, Gas & Mining prior to the commencement of mining operations. Please contact me if you have any questions.

Sincerely,

John T. Blake

cc: Wayne Hedberg

